

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 STR-04 PA-01 PRS-01 USIA-06 PM-04

NSC-05 SP-02 SS-15 L-03 AID-05 CIAE-00 EB-07 FRB-03

INR-07 NSAE-00 TRSE-00 XMB-02 OPIC-03 CIEP-01 LAB-04

SIL-01 OMB-01 DODE-00 DOTE-00 FMC-01 CG-00 OFA-01

DLOS-04 /092 W

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R 090801Z OCT 75

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 3803

INFO USDOC WASHDC

AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMCONSUL DHAHRAN

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMEMBASSY TEHRAN

USINT BAGHDAD

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E.O. 11652: N/A

TAGS: EALR, EWWT, KU

SUBJECT: KUWAIT PORT DEVELOPMENTS: TEMPORARY CONGESTION
PROBLEMS

REF: KUWAIT 3570

SUMMARY: THERE ARE SEVERAL INDICATIONS THAT KUWAIT MAY BE
EXPERIENCING POST CONGESTION DIFFICULTIES. REPORTS FROM
VARIOUS SOURCES INDICATE THAT LOADING AND UNLOADING DELAYS
MAY EXTEND AS MUCH AS 13 DAYS, AT LEAST DOUBLE WHAT HAS BEEN
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PREVIOUSLY REPORTED. EMBASSY BELIEVES THAT DELAYS ARE

TEMPORARY, HOWEVER, BROUGHT ABOUT MAINLY BECAUSE OF RAMADHAN.
END SUMMARY.

4. REVIEW OF PUBLISHED SOURCES, CONVERSATIONS WITH U.S. AND KUWAITI BUSINESSMEN, AND DISCUSSIONS WITH GOK OFFICIALS, INDICATES INCREASED TRAFFIC IN KUWAIT'S PORTS, PARTICULARLY IN THE FORM OF SHIPS WHOSE CARGOES ARE DESTINED FOR PLACES OTHER THAN KUWAIT, AND OF CONSEQUENT WAITING TIMES OF ANYWHERE FROM 5-6 TO 13 DAYS. THESE REPORTS SUGGEST FOLLOWING:

2. NUMBER AND DESTINATION OF SHIPS: CURRENTLY THERE ARE ABOUT 35 SHIPS WAITING TO UNLOAD CARGO. UNCONFIRMED NEWSPAPER REPORTS STATE THAT AS MANY AS 100 SHIPS HAVE BEEN WAITING IN THE HARBOR DURING THE MONTH OF SEPTEMBER. SENIOR OFFICIAL IN COMMUNICATIONS MINISTRY NOTED THAT OF APPROXIMATELY 60 VESSELS IN HARBOR AT ONE POINT, ONLY 34 WERE CARRYING KUWAITI-BOUND CARGO. REMAINDER CARRIED CARGOES THAT WERE BOUND FOR SUCH PORTS AS BASRA AND KHORRAMSHAR, BUT WERE EITHER WAITING IN SHUWEIKH FOR THE CONGESTION IN THOSE PORTS TO CLEAR UP (WATER, FOOD, AND OTHER FACILITIES ARE APPARENTLY MORE READILY AVAILABLE HERE THAN ELSEWHERE), OR WERE PLANNING TO OFF-LOAD THEIR CARGOES IN KUWAIT FOR SHIPMENT BY TRUCK (TO BASRA AND SAUDI ARABIA) OR BY BARGE (TO KHORRAMSHAR).

3. DELAYS: GOK SENIOR OFFICIALS IN MINISTRIES OF COMMERCE AND INDUSTRY AND OF COMMUNICATIONS (THE LATTER BEING THE MINISTRY RESPONSISWE FOR PORT AFFAIRS) SAID DURING EARLY SEPTEMBER THAT THE WAITING TIME FOR UNLOADING SHIPS HAD REMAINED STABLE AT 3-4 DAYS. THEY NOTE THAT NO SURCHARGES HAVE YET BEEN IMPOSED, AS THEY WOULD HAVE BEEN IF DELAYS EXCEEDED 10 DAYS. OUR DISCUSSIONS WITH LARGE-SCALE KUWAITI IMPORTERS AND AMERICAN BUSINESSMEN WITH EXPERIENCE IN SHIIVING MATTERS IN KUWAIT, HOWEVER, INDICATE THAT DELAYS OF 5, 8, 0, AND 13 DAYS HAVE BEEN REGARDED AS THE NEW NORM AS THE MONTH OF SEPTEMBER HAS PRO-CEEDED. THERE HAVE ALSO BEEN NEWSPAPER REPORTS (UNCONFIRMED AND THUS LESS RELIABLE) THAT SOME SHIPS HAVE WAITED UP TO ONE MONTH TO UNLOAD. (THE SAME NEWSPAPER SOURCE STATED

THAT,BECAUSE OF THE LIMIT IN STORAGE SPACE IN THE CONFINED AREA OF SHYWEIKH AND BECAUSE OF THE LOW DEMURRAGE CHARGES, LIMITED OFFICIAL USE

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IMPORTERS HAVE BEEN DELIBERATELY LEAVING CARGO IN THE CUSTOMS AREA RATHER THAN INCUR THE COSTS OF TRANSPORT AND STORAGE THEMSELVES. THIS HAS, ACCORDING TO THESE REPORTS, ADDED TO THE CONGESTION PROBLEM.

5. GOK ACTIVITIES: RECENT ANNOUNCEMENT AND REPORTS EMANATING FROM THE GOK INDICATE THAT IT IS CONCERNED ABOUT FUTURE CON-GESTION PROBLEMS AND IS READY TO ACT ON MEETING CAPACITY NEEDS

FOR FUTURE YEARS. THE GOK HAS ALREADY PLANNED EXPANSIONS OF BOTH THE SHUAIBA AND SHUWEIKH CARGO PORTS THAT WILL DOUBLE THEIR CAPACITIES BY 1977. THE GOK IS ALSO CONSIDERING PLANS FOR EXPANSION BEYOND THE 1977 PERIOD, BY MEANS EITHER OF AN ENTIRELY NEW PORT OR BY FURTHER EXTENSION OF SHUWEIKH AND SHUAIBA. (REFTEL) FINALLY, THE MINISTRY OF COMMUNICATIONS ANNOUNCED THAT NEW POST WAS BEING CREATED WITHIN THE MINISTRY, AT THE ASSISTANT UNDERSECRETARY LEVEL, TO HANDLE PORT AFFAIRS.

6. COMMENT: THERE COULD BE MANY REASONS FOR THE DELAYS REPORTED ABOVE: PRIORITY BERTHING (AND CONSEQUENT DELAYS CAUSED TO OTHER SHIPS), NON-KUWAITI CARGO UNLOADINGS, CUSTOMS CLEARANCES PROBLEMS, AND RAMADHAN ARE JUST A FEW OF THE REASONS THAT COULD POSSIBLY BE INVOLVED. EMBASSY NOTES, HOWEVER, THAT REPORTS OF DELAYS HAVE COME DURING SUMMER MONTHS AND PARTICULARLY DURING RAMADHAN, AND THAT THESE REPORTS INDICATE THAT THE DELAYS HAVE LENGTHENED AS THE FASTING SEASON PROCEEDED. IT IS THE BEST JUDGMENT OF THE EMBASSY THAT REPORTED DELAYS CAUSED BY A COMBINATION OF RAMADHAN, FASTING-INDUCED, WEARINESS AND SHORTER WORKING HOURS, AND OF IMPORTERS TAKING ADVANTAGE OF SUMMER WEATHER TO USE THE PORT STORAGE AREAS AS WAREHOUSES, WITH RAMADHAN PREDOMINATING. AS SUCH, EMBASSY BELIEVES THAT PROBLEM IS TEMPORARY, AND WILL CLEAR UP OVER NEXT SEVERAL WEEKS. OVER LONGER TERMS AS KUWAITI IMPORTS EXPAND IN RELATION TO IMPLEMENTATION OF MAJOR DEVELOPMENT PROGRAMS AND ASSUMING MORE CARGOES FOR IRAQ, IRAN AND SAUDI ARABIA ARE LANDED IN KUWAIT, SITUATION WILL MOST LIKELY WORSEN. NEVERTHELESS, AS NOTED ABOVE, MAJOR PORT EXPANSION ALREADY UNDERWAY. MEANWHILE, SOME KUWAITI BUSINESSMEN HAVE ALREADY TAKEN ADVANTAGE OF SITUATION AND HAVE SUCCESSFULLY BEGUN TRUCKING SERVICE BETWEEN GULF AND EUROPE.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MARINE TRANSPORTATION, PORT CONGESTION, PORT FACILITIES
Control Number: n/a
Copy: SINGLE
Draft Date: 09 OCT 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975KUWAIT04106
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750350-1141
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751067/aaaachac.tel
Line Count: 154
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 KUWAIT 3570
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 04 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 AUG 2003 by CunninFX>; APPROVED <24 NOV 2003 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: KUWAIT PORT DEVELOPMENTS: TEMPORARY CONGESTION PROBLEMS
TAGS: EALR, EWWT, KU
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006